



Transmission Business Line (TBL)

Business Practice

MODIFICATIONS ON A FIRM BASIS (FIRM REDIRECTS) POINT-TO-POINT TRANSMISSION FOR OPEN ACCESS TRANSMISSION TARIFF AND RATE SCHEDULES

Effective Currently For Long-Term Firm Redirects
Effective October 1, 2003 For Short-Term Firm Redirects
Draft Revision 1 Posted 05/14/03

Added information about customer comment period.

Please review and comment on this business practice by close of business May 27, 2003 Please reference the specific procedure, section, and subsection for which you are providing comments.

Submit comments by email to: msmcfarland@bpa.gov.

Customer comments and BPA's Transmission Business Line's (BPAT) responses to those comments will be posted on or about May 30, 2003.

Background:

On April 9, 2001, September 13, 2001, December 21, 2001, and April 12, 2002, the Federal Energy Regulatory Commission (FERC) issued Orders clarifying OATT Section 22.2, "Modifications on a Firm Basis."

Section 22.2 in BPA's OATT states: "Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement."

Currently, TBL allows firm redirects on a long-term basis (one or more years). TBL is developing systems to enable implementation of short-term firm redirects (greater than or equal to one day but less than one year) no later than October 1, 2003. The following criteria apply to long-term redirect requests and will apply to short-term redirects once the systems are in place to implement short-term redirects.

Criteria for Firm Redirects:

1. Any request to redirect Firm PTP transmission service (Firm Redirect Request) will be treated the same as any other new request for Firm PTP service.

2. When the Transmission Customer submits a Firm Redirect Request the Transmission Customer must follow all procedures applicable to new requests for transmission. In addition, the Transmission Customer must designate the Firm Redirect Request as a redirect of existing Firm PTP service and must include: 1) the contract number (and the table number from the Statement of Specifications if the contract has multiple tables) covering the original reservation; 2) the POR(s) and/or POD(s) from which the customer wants service to be redirected and the MWs to be redirected from each; and 3) the POR(s) and/or POD(s) to which the service is to be redirected and the MWs to be redirected to each.
3. The Transmission Customer making a Firm Redirect Request will receive a queue number based upon date and time the application is submitted in the same manner as other requests for Firm PTP service, and the TBL will grant the Firm Redirect Request if there is sufficient Available Transfer Capability (ATC).

However, the TBL will grant the Firm Redirect Request when there is insufficient ATC if the following conditions are met: i) the constrained path(s) the Firm Redirect Request crosses is (are) the same constrained path(s) from which the customer is redirecting; and ii) the ATC made available because the customer is redirecting from the original POR(s) and/or POD(s), together with ATC otherwise available, is sufficient to grant the Firm Redirect Request. ATC will be considered “otherwise available” only if the customer requesting the Firm Redirect is awarded such ATC based on the TBL’s procedures for granting new requests for firm PTP service.

4. A Transmission Customer requesting a redirect of its Firm PTP service retains the rights to its original path until the Firm Redirect Request is confirmed and accepted (for short-term Firm Redirects) or the customer has executed the Statement of Specifications (for long-term Firm Redirects), at which point it relinquishes any right on the original path for the term and MW amount of the redirected service.
5. If there is inadequate transmission capacity over one or more constrained paths to accommodate the Firm Redirect Request, TBL will offer partial service for the Firm Redirect Request in the same manner as it does with respect to any other request for Firm PTP service.
6. A Transmission Customer may redirect all or part of the Firm PTP service under a contract. That is, the Transmission Customer may redirect 1) the entire capacity for the remaining term of its reservation; 2) the entire capacity for a portion of the remaining term; 3) a portion of the capacity for the remaining term; or 4) a portion of the capacity for a portion of the remaining term. The customer may change PORs, PODs, or both.
7. Transmission service over Network facilities may be redirected only to other Network facilities. Transmission service on the Southern Intertie (AC and DC lines) may be redirected only to other points on the Southern Intertie. Transmission on the Montana Intertie may be redirected only to other points on the Montana Intertie.
8. Rates
 - A. Short Term redirected to Short Term—The transmission charge for the redirected service will be the short-term PTP service rates (section II.B.1.a and b of the PTP, IS, and IM rate schedules), which are based on the duration of the redirected

service. The charge for the original reservation will be based on the original duration, less the duration of the redirected service.

For example, assume the original reservation is 30 days, with one firm redirect for 7 days. The customer would be charged:

- i) for the original reservation: 5 days at the daily block 1 rate plus 18 days at the daily block 2 rate; and
- ii) for the firm redirect: 5 days at the daily block 1 rate plus 2 days at the daily block 2 rate.

- B. Long Term redirected to Short Term—The transmission charge for the redirected service will be the short-term PTP service rates, which are based on the duration of the redirected service. The charge for the original reservation will be the rate for long-term firm PTP service, less a credit equal to the daily block 2 rate multiplied by the number of days of the redirected service. If service is redirected for the entire calendar month, there will be no charge for the original reservation for that month.

For example, assume the original reservation is for long-term service with one short-term firm redirect for 7 days. The customer would be charged:

- i) for the original reservation: the Long-Term Firm monthly rate less a credit equal to the daily block 2 rate times 7 days; and
- ii) for the firm redirect: 5 days at the daily block 1 rate plus 2 days at the daily block 2 rate.

- C. Short-Distance Discount (SDD)

- (1) Short-term redirects:

Short-term redirects are not eligible for the SDD. If the original long-term reservation qualifies for an SDD, the SDD will be applied to the original reservation after the firm redirect credit is subtracted.

For example, assume the original long-term service receives an SDD and there is one short-term firm redirect for 7 days. The customer would be charged:

- i) for the original reservation: the SDD factor times the following quantity: the Long-Term Firm monthly rate less a credit equal to the daily block 2 rate times 7 days; and
- ii) for the firm redirect: 5 days at the daily block 1 rate plus 2 days at the daily block 2 rate.

- (2) Long-term redirects:

The redirect service will receive an SDD if it qualifies. *See* PTP rate schedule, section IV.G., Short-Distance Discount, for information on the SDD.

- D. Other Discounts (offered pursuant to GRSP Section II.F.) (assumes discount is for short-term transmission only)

If a discount applies to the original reservation, the charge for the original reservation will be the discounted rate applied to the original duration less the duration of the firm redirect. If the firm redirect also qualifies for a discount, the firm redirect will be priced at the higher of the discounted rate for the original reservation and the discounted rate for the firm redirect.

If the original reservation does not receive a discount, the redirected service does not qualify for a discount.

The rates will be applied consistent with section 8.a., except that the applicable short-term rates may be discounted.

E. Ancillary Service Rates

The rates for the two required Ancillary Services (Scheduling, System Control and Dispatch rate and Reactive Supply and Voltage Control From Generation Sources rate) will be applied in the same manner as the transmission rate. The other Ancillary Service rates will be applied according to their terms.

9. During the term of the redirected service, transmission service may be further redirected to other points following the steps in paragraph 2 above. However, in the case of long-term firm redirects, a customer may not further redirect service until it has executed the Statement of Specifications for the firm redirect service. In the case of short-term firm redirects, a customer may not further redirect service until the first request to redirect has been unconditionally awarded.
10. A Transmission Customer whose contract includes a reservation priority pursuant to section 2.2 of the OATT and who redirects its transmission service retains its reservation priority on the original PORs and PODs. The customer has no reservation priority on the redirected PORs and PODs.
11. A Transmission Customer whose contract includes a reservation priority pursuant to section 2.2 of the OATT may request a Firm Redirect that exceeds the term of the original service. However, the Transmission Customer must first have requested service on the original path pursuant to its reservation priority and either confirmed its request (in the case of a request for short-term service) or executed an agreement for the service (in the case of a request for long-term service) before requesting the redirected service.
12. TBL will not accept Firm Redirect Requests for hourly Firm PTP transmission service.